

Senate File 2140 - Introduced

SENATE FILE 2140

BY CHELGREN

A BILL FOR

1 An Act relating to Iowa's urban renewal law by modifying
2 provisions relating to the duration of urban renewal
3 areas and ordinances providing for a division of revenue,
4 requiring voter approval for ordinances establishing
5 a division of revenue, and including effective date
6 provisions.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 403.17, subsection 10, Code 2011, is
2 amended to read as follows:

3 10. "*Economic development area*" means an area of a
4 municipality designated by the local governing body as
5 appropriate for commercial and industrial enterprises, public
6 improvements related to housing and residential development,
7 or construction of housing and residential development for low
8 and moderate income families, including single or multifamily
9 housing. If an urban renewal plan for an urban renewal area
10 adopted on or after January 1, 1995, but before the effective
11 date of this Act, is based upon a finding that the area is an
12 economic development area and that no part contains slum or
13 blighted conditions, then the division of revenue provided
14 in section 403.19, if adopted prior to the effective date of
15 this Act, and stated in the plan shall be limited to twenty
16 years from the calendar year following the calendar year in
17 which the municipality first certifies to the county auditor
18 the amount of any loans, advances, indebtedness, or bonds which
19 qualify for payment from the division of revenue provided in
20 section 403.19. ~~Such designated~~ An economic development area
21 shall not include agricultural land, including land which is
22 part of a century farm, unless the owner of the agricultural
23 land or century farm agrees to include the agricultural land
24 or century farm in the urban renewal area. For the purposes of
25 this subsection, "*century farm*" means a farm in which at least
26 forty acres of such farm have been held in continuous ownership
27 by the same family for one hundred years or more.

28 Sec. 2. Section 403.19, Code Supplement 2011, is amended by
29 adding the following new subsections:

30 NEW SUBSECTION. 2A. An ordinance adopted by a municipality
31 on or after the effective date of this Act providing for
32 a division of revenue under this section shall not become
33 effective within the boundaries of a school district or
34 effective against any property tax levied by any public body
35 on real property within the boundaries of that school district

1 unless approved by the voters of the school district at the
2 next general election. The ordinance shall be submitted by
3 the governing body of the municipality on its own motion to
4 the voters of each school district located in whole or in part
5 within the area proposed to be subject to the division of
6 revenue. If a majority of those voting on the question within
7 the school district approves the ordinance, the ordinance shall
8 become effective within the boundaries of the school district
9 that has approved the ordinance and shall, subject to the
10 limitations of subsection 2, be effective against all property
11 taxes levied by any public body on real property within the
12 boundaries of that school district. Notice of the election
13 shall be given by publication as prescribed in section 49.53
14 in a newspaper of general circulation within each local school
15 district where voting is to occur.

16 NEW SUBSECTION. 2B. Except as provided in section 403.22,
17 an ordinance providing for a division of revenue under this
18 section that is adopted on or after the effective date of
19 this Act shall be limited to twenty years from the calendar
20 year following the calendar year in which the municipality
21 first certifies to the county auditor the amount of any
22 loans, advances, indebtedness, or bonds, which qualify for
23 payment from the division of revenue. The urban renewal
24 area, including all applicable urban renewal plans, projects,
25 and ordinances shall terminate and be of no further force
26 and effect following the twenty-year period provided in this
27 subsection.

28 NEW SUBSECTION. 2C. An ordinance providing for a division
29 of revenue in effect on the effective date of this Act that is
30 not limited in duration under either section 403.17, subsection
31 10, or section 403.22, subsection 5, shall terminate and be
32 of no further force and effect not later than June 30, 2032.
33 The urban renewal area, including all applicable urban renewal
34 plans, projects, and ordinances, shall terminate and be of no
35 further force and effect on the date the division of revenue

1 ordinance terminates under this subsection.

2 Sec. 3. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
3 immediate importance, takes effect upon enactment.

4 EXPLANATION

5 This bill provides that an ordinance adopted by a
6 municipality on or after the effective date of the bill
7 providing for a division of revenue under Code section 403.19
8 (tax increment financing) shall not become effective within
9 the boundaries of a school district or effective against
10 any property tax levied by any public body on real property
11 within the boundaries of that school district unless approved
12 by the voters of the school district at the next general
13 election. Under the bill, if a majority of those voting on the
14 question within the school district approves the ordinance,
15 the ordinance shall become effective within the boundaries of
16 the school district that has approved the ordinance and shall
17 be effective against all property taxes levied by any public
18 body on real property within the boundaries of that school
19 district, except those levies excluded under current Code
20 section 403.19(2).

21 The bill provides that except for certain divisions of
22 revenue for public improvements related to housing and
23 residential development, an ordinance providing for a division
24 of revenue that is adopted on or after the effective date
25 of the bill is limited to 20 years from the calendar year
26 following the calendar year in which the municipality first
27 certifies to the county auditor the amount of any loans,
28 advances, indebtedness, or bonds, which qualify for payment
29 from the division of revenue. Following the expiration of the
30 20-year limitation period, the urban renewal area, including
31 all applicable urban renewal plans, projects, and ordinances
32 shall terminate and be of no further force and effect.

33 The bill also provides that a division of revenue ordinance
34 in effect on the effective date of the bill that is not limited
35 in duration under either Code section 403.17(10)(20-year

1 limitation), or Code section 403.22(5)(10-year limitation),
2 shall terminate and be of no further force and effect not
3 later than June 30, 2032. The urban renewal area, including
4 all applicable urban renewal plans, projects, and ordinances,
5 related to such ordinance shall terminate and be of no further
6 force and effect on the date the division of revenue ordinance
7 terminates.

8 The bill takes effect upon enactment.